



MANAGING CHILD SUPPORT
PAYMENTS & EXPENSES

DIRECTLY BETWEEN PARENTS

DETAILED PITCH DOCUMENT

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summary

raising **\$600k** to achieve \$1M ARR in 6 months

28k users, **10k+** family law professionals, **\$25k MRR**

target market **replenishes every year** &
COVID-19 dramatically **increasing demand**

seasoned team of 15 – over 200+ years of experience

watch 3 min pitch



"It's Amazing! I don't have to call, text, email & nag him to pay his share. He finally understands how expensive his kids really are!"

Tracy J.

<https://youtu.be/WALyUPcztvc>

key highlights

SupportPay eliminates child support conflict by providing both parents with a single platform to manage all of their child support, alimony and child expenses

We provide a certified history and complete transparency into child expenses while meeting the compliance requirements required by state and federal law

This saves parents valuable time & money, allowing them to focus on what matters most: their kids

INDUSTRY

FinTech / Financial Services, P2P Payments, Legal tech, family law, parenting, SaaS, Consumer Tech

MARKET SIZE

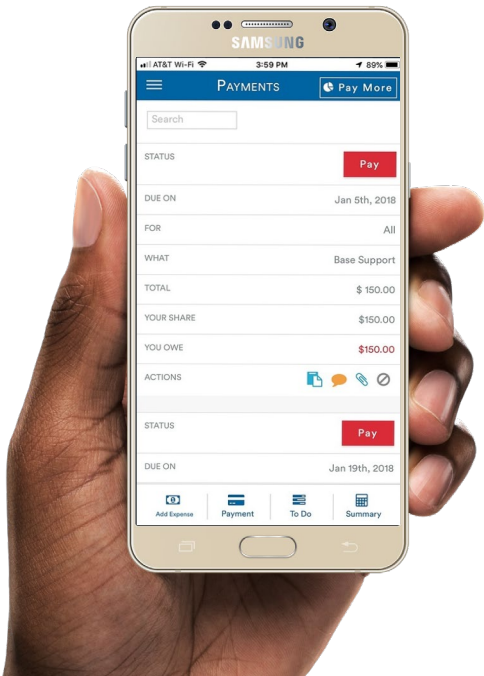
US: 55 Million Parents Exchange More Than \$200 Billion Annually

TRACTION

28K + customers, 1,600+ paid users, \$25k MRR, \$72.3M in child support managed, revenue & proven product / market fit

TARGET CUSTOMER

Parents who live apart



widespread **problem**



55 million parents living apart

Exchanging more than

\$200 billion annually

In child **expenses** and child **support/alimony**

The Market Continues to Grow:

1.2 Million New Cases / Yr

Child support cases filed every year, est.

Unfortunately, there has been no standard way for parents to manage this directly with each other.

Worldwide, **298 million parents** live apart and exchange **\$900 billion** in child support/alimony every year.

a child support order includes additional expenses

1 Base Support

FL-342

PETITIONER/PLAINTIFF: Mom
RESPONDENT/DEFENDANT: Dad
OTHER PARENT: Step-Parent

CASE NUMBER: V3STJFUWIELSF

CHILD SUPPORT INFORMATION AND ORDER ATTACHMENT

TO Findings and Order After Hearing (form FL-340) Judgment (form FL-180)
 Restraining Order After Hearing (CLETS-OAH)(form DV-130)
 Other (specify):

INCOME

Income

Gross monthly income is as follows:

a. Petitioner/plaintiff: \$ 10000
Respondent/defendant: \$
Other parent: \$

b. Imputation of income. The court finds that the petitioner/plaintiff respondent/defendant

TIME

Children of this relationship

a. Number of children who are the subject of this order: 1
b. Approximate percentage of time the child spends with the petitioner/plaintiff: 35%
Respondent/defendant: 65%
Other parent: %

BASE SUPPORT + ALIMONY

Payable on the 1st of the month one-half on the 1st and one-half on the 15th of the month
 other (specify):

Payable to (name): Mom
Mom

THIS IS A COURT ORDER. Page 1 of 1
Form Adopted for Mandatory Use
Judicial Council of California
FL-342 (Rev. July 1, 2012)
CHILD SUPPORT INFORMATION AND ORDER ATTACHMENT
Family Code, §§ 4055-4060
www.courts.ca.gov

2 Additional Expenses

Mandatory additional child support

(1) Child-care costs related to employment or reasonably necessary job training

CHILDCARE

% of total or \$ 500 per month
% of total or \$ per month
% of total or \$ per month

(d) Costs to be paid as follows (specify):

2. Mandatory additional child support

(2) Reasonable uninsured health care costs for the children

MEDICAL

(a) % of total or \$ 200
(b) % of total or \$
(c) % of total or \$
(d) Costs to be paid as follows (specify):

3. Additional child support

(1) Costs related to the educational or other special needs of the children

EDUCATION

(a) Petitioner/plaintiff must pay: 100 % of total or \$ 1000

RESPONDENT/DEFENDANT: Dad
OTHER PARENT: Step-Parent

11. **Other orders (specify):**

Share Extra Curricular Activities
Share incremental costs
Tuition until Graduate Degree Attained

ADDITIONAL

(2)

TOTAL

Total child support per month: \$ 1600 + 50%

and reimbursement of any health-care claims. The parent ordered to provide health insurance must seek continuation of coverage for the child after the child attains the age when the child is no longer considered eligible for coverage as a dependent under the insurance contract, if the child is incapable of self-sustaining employment because of a physically or mentally disabling injury, illness, or condition and is chiefly dependent upon the parent providing health insurance for support and maintenance.

b. Health insurance is not available to the petitioner/plaintiff respondent/defendant other parent at a reasonable cost at this time.

c. The party providing coverage must assign the right of reimbursement to the other party.

8. **Earnings assignment**
An earnings assignment order is issued. Note: The payor of child support is responsible for the payment of support directly to the recipient until support payments are deducted from the payor's wages and for payment of any support not paid by the assignment.

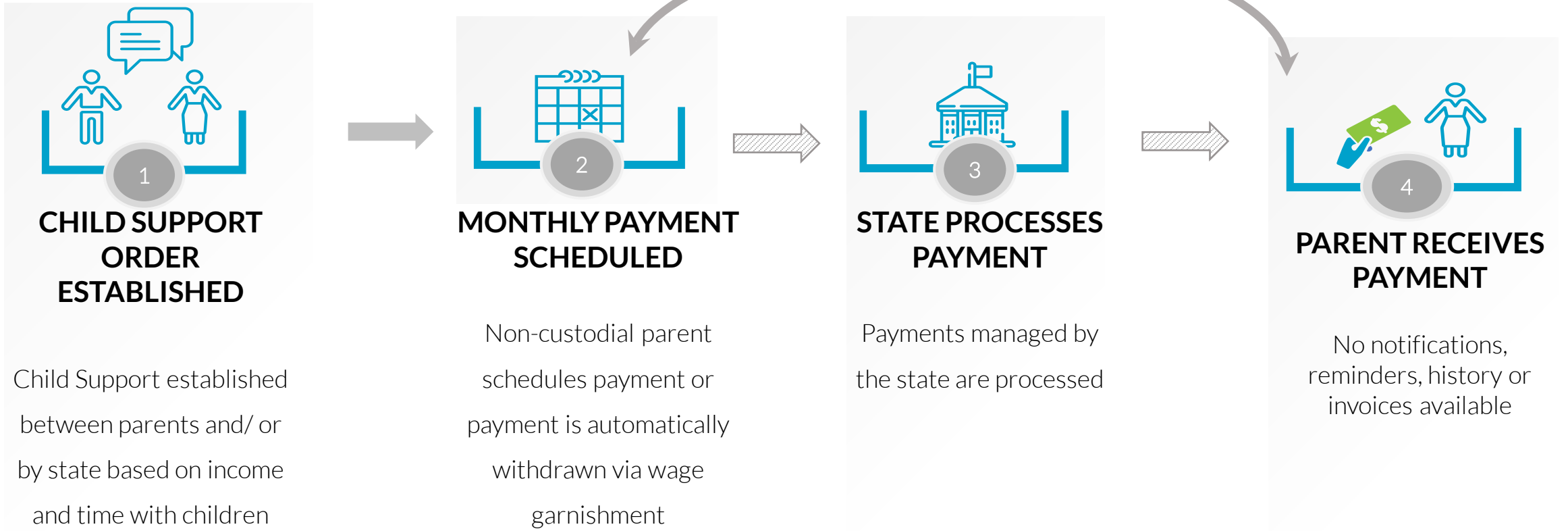
9. In the event that there is a contract between a party receiving support and a private child support collector, the party ordered to pay support must pay the fee charged by the private child support collector. This fee must not exceed 33 1/3 percent of the total amount of past due support nor may it exceed 50 percent of any fee charged by the private child support collector. The money judgment created by this provision is in favor of the private child support collector and the party receiving support, jointly.

10. **Employment search order (Family Code, § 4505)**
 Petitioner/plaintiff Respondent/defendant Other parent is ordered to seek employment with the following terms and conditions:

THIS IS A COURT ORDER. Page 2 of 3
FL-342 (Rev. July 1, 2012)
CHILD SUPPORT INFORMATION AND ORDER ATTACHMENT

1 problem: base support is **the first step**

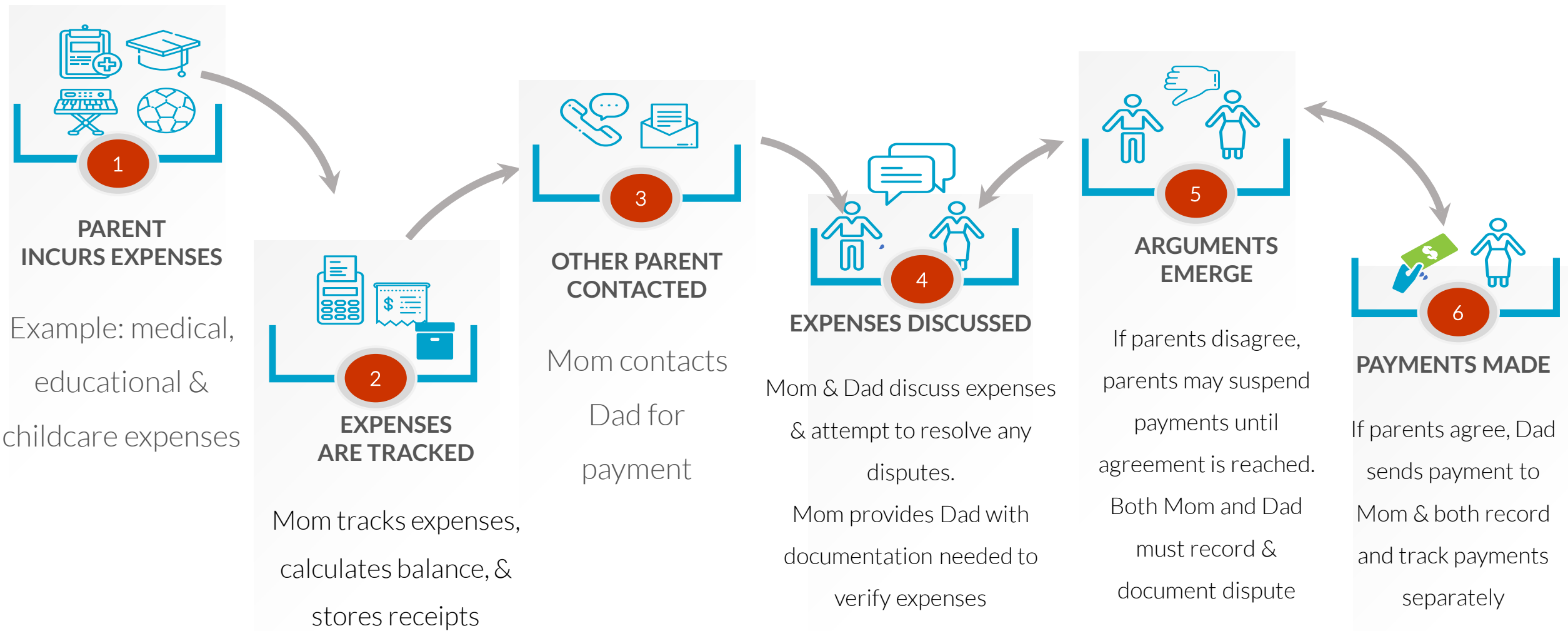
Set monthly payments sent between parents & thru the state



 If base payment is managed by the state

2 problem: additional expenses painful for parents & kids

Required by law but no solution to manage the complex process



UNNECESSARY FRICTION AT EVERY STEP for Medical, Education, Child Care, etc.

solution: manage **base & additional expenses** with supportpay

Reduced conflict, increased payment, more transparency!



PARENT ENTERS EXPENSES

Parent incurs expenses for medical, educational, childcare, etc

AND/OR



BASE PAYMENT SCHEDULED

Non-custodial parent schedules payment or payment is automatically withdrawn via wage garnishment



SUPPORTPAY TRACKS & COMMUNICATES WITH PARENTS

SupportPay keeps a certified record of expenses & payments, communicates with both parents & manages disputes



OTHER PARENT RESPONDS

Parent reviews expense, can dispute & sends payment

supportpay: a **parent** focused solution

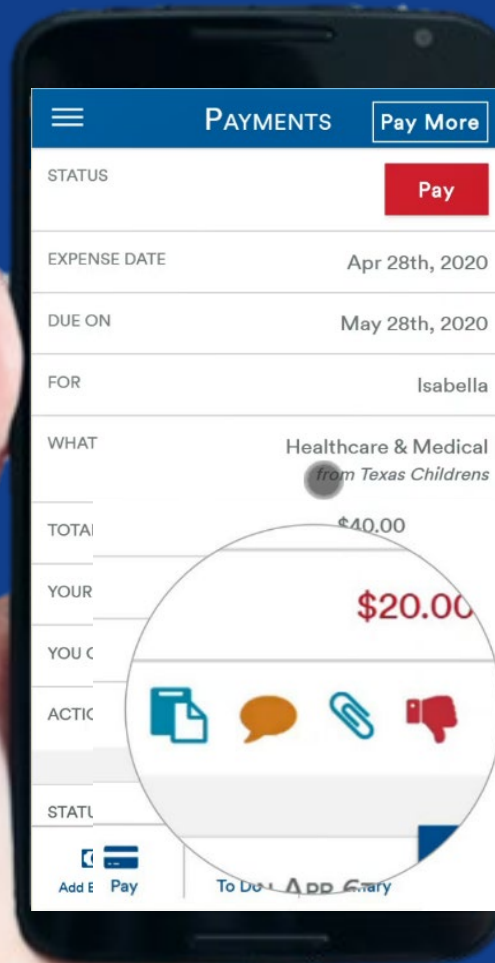
One place for all child support needs to meet compliance requirements while **saving time & money**



Tracks all expenses, payments, receipts & docs in a single location



Offers the ability to track manual payments (cash, credit, check) or make online payments



Provides online dispute management



Delivers proactive alerts, notifications & billing summaries



Keeps parents informed with certified records that can be used for modifications, court cases & taxes



“It’s **Amazing!** I don’t have to
call, text, email & nag him to
pay his share.

He finally understands how
expensive his kids really are!”

Tracy J
Divorced Mom of 3

“I now know my money is going to my kids plus I have a record for court & taxes!”

Larry J
Divorced Dad of 3





“I am including SupportPay
in all our child support
orders. It gives me
the data I need to
help my clients.”

Michelle A
Divorce Attorney
supportpay.com

how we make money - saas

each parent pays subscription model

19.99

monthly

179.99

yearly

+ transaction fees

one brilliant go to market strategy



DIRECT TO PARENT

search

paid ads

press

free public records of divorce data



CHILD SUPPORT DIRECTORY

community to find

resources &

information about child

support (~100k visitors

/ month)



FAMILY LAW REFERRALS

family law professions

other users

AS SEEN IN:



The New York Times

FASTCOMPANY

THE WALL STREET JOURNAL.

HUFFPOST LIVE

WIRED

TechCrunch

parenting

FORTUNE

family law channel

professional directory

The screenshot shows the 'childsupport directory' website. At the top, there is a navigation bar with links for 'Learn', 'Claim Listing', 'Add a Listing', 'Register', and 'Login'. Below the navigation bar is a search area with the text 'Find Child Support Resources' and input fields for 'What are you looking for?', 'Choose a category...', and 'Location'. A 'Radius: 50 mi' slider is also present. Below the search area, there is a 'Most Recent Listings' section displaying a grid of attorney profiles. Each profile includes the attorney's name, address, phone number, and a 'Random' dropdown menu. The profiles shown are for Alan Pearlman, Ltd., Walpole Law, Erika E. Divorce, Afsanae A. Abbasi, Gregory C. Abel, Patti L. Abramson, Anne C. Adams, Carol L. Adams, and Robert Alan Adelman.

in the order

The screenshot shows a legal document, likely a marital settlement agreement, with a highlighted section. The highlighted text reads: "5-4 The parties are hereby ordered to utilize the SupportPay child support payments and expenses. Each parent shall down...". The document also contains other text, including "5. CHILD SUPPORT", "5-3. FATHER PROVIDES THE CHILDREN WITH MEDICAL AND DENTAL INSURANCE AT HIS OWN COST, AND SHALL CONTINUE TO DO SO AS LONG AS SUCH COVERAGE IS AVAILABLE TO HIM THROUGH HIS EMPLOYER AT REASONABLE", and "MARITAL SETTLEMENT AGREEMENT Page 11 of 21".

traction & **accomplishments**

28,000+

customers

1,600+

paid users

~\$24k MRR

\$842

Average transaction size
(vs: Venmo: \$60 & Zelle: \$281)

\$2,400

estimated lifetime value

~\$37 CAC

(7-week payback period)

10,000+

family law professionals in child
support directory

150+

known instances of supportpay part
of child support order

100k+

Average monthly visitors to
supportpay.com

Children now get the financial support they deserve from both of their parents

the supportpay leadership team



sheri atwood
founder / ceo



tom contreras
development



gabe vargas
customer success



david lorango
marketing



erika england
family law



rick anderson
support



200+ years of experience

Total team size: 11 US & 5 Offshore

94% of employees are divorced or single parents



competitive **overview**

manual process

Those processes ultimately led to:

- A manual, error-prone process that did not provide a certified record
- Disputes, disagreements and conflict in front of the children
- Managing the process manually via spreadsheets, email and arguing with his or her ex
- This is very time-consuming and extremely stressful, to say the least.

closest competitor

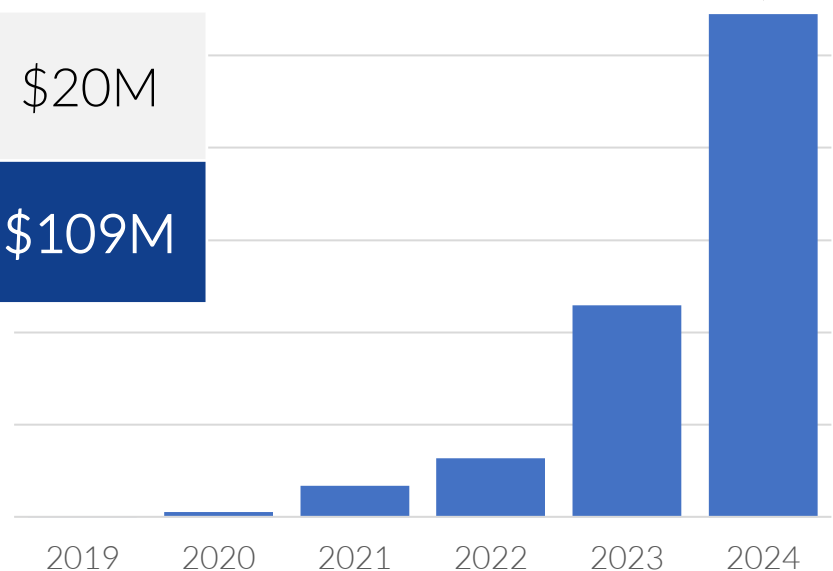


- Set precedent for court ordered apps
- Communication Tool – not expenses
- Horrible customer reviews
- Recent growth equity round & replaced CEO with investors

financial outlook **is compelling**

	2019	2020	2021	2022	2023	2024
Users	21k	79k	328k	1.1M	3.3M	9.7M
Paid Users	1k	10k	42k	155k	500k	1.4M
Consumer	\$60k	\$850k	\$5.7M	\$8.3M	\$36.6M	\$89M
Family Law		\$250k	\$1.1M	\$4.3M	\$9.3M	\$20M
Revenue	\$60k	\$1.1M	\$6.8M	\$12.7M	\$45.9M	\$109M

revenue



Global Expansion:
298M Parents
exchange \$900B in
child support
globally. Minimal
product
enhancements
needed to capture
global market

potential exit options

Goal to be an independent venture class business but several other exit options available:

integrators

accenture

CONDUENT



Deloitte.



legal

legalzoom

AVVO
Legal. Easier.

personal finance / data

intuit.

Google

payment processors

PayPal

value
PAYMENT SYSTEMS

wepay
a CHASE company

Clearwater
PAYMENTS

A yellow watering can is shown in the upper left corner, tilted and pouring a stream of water onto a field of green grass at the bottom. The background is a clear blue sky with soft, wispy clouds. The overall scene is bright and positive, symbolizing growth and investment.

investment **opportunity**

For this round, SupportPay is seeking a total raise of

\$600,000

The funds will deliver **\$1 million ARR** in 6 months.

A proven problem / market fit, revenue and growth

why **invest?**

only payment platform for parents to manage child support, alimony and expenses directly with each other

dramatically reduces the conflict children are exposed to & increases the likelihood that children receive the financial assistance they deserve

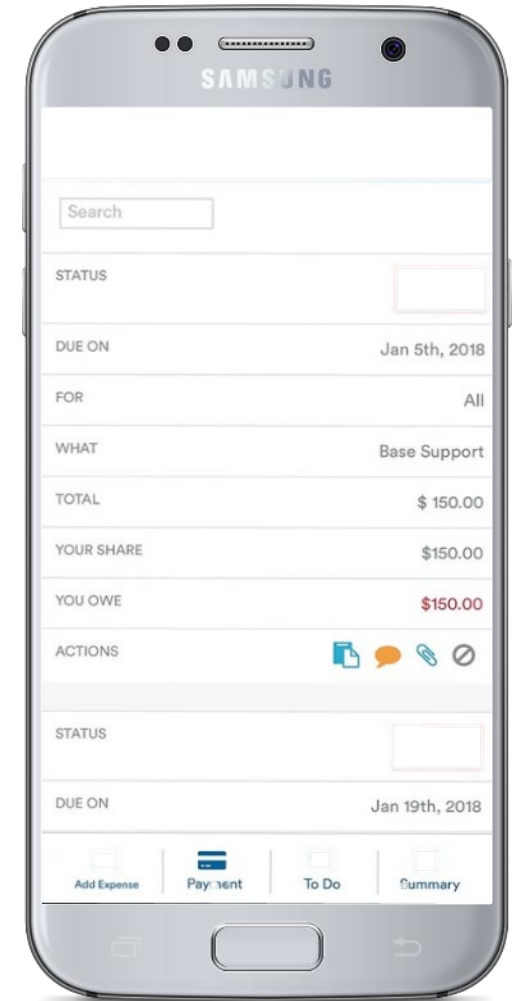
product market fit is proven, product is available & fully functional

making revenue and **growing rapidly**

market continues to **replenish & grow** – new babies & divorce every year

COVID-19 is **increasing divorce**, registrations & need

investment will go directly to market growth - **\$1M ARR in 6 months**



operating plan – with capital investment

		MON-1	MON-2	MON-3	MON-4	MON-5	MON-6	MON-7	MON-8	MON-9	MON-10	MON-11	MON-12
Users	Free	27,757	30,007	34,508	38,649	44,447	48,891	53,781	59,159	65,075	71,582	78,740	
	New	2,183	2,386	2,900	3,410	3,791	4,341	4,847	5,387	6,258	7,191	7,976	8,870
	Paid	1,529	1,857	2,257	2,728	3,252	3,851	4,519	5,263	6,126	7,118	8,219	9,443
	New	328	358	435	511	569	651	727	808	939	1,079	1,196	1,330
Users		29,286	31,865	36,766	41,377	47,698	52,742	58,299	64,421	71,201	78,700	86,960	9,443

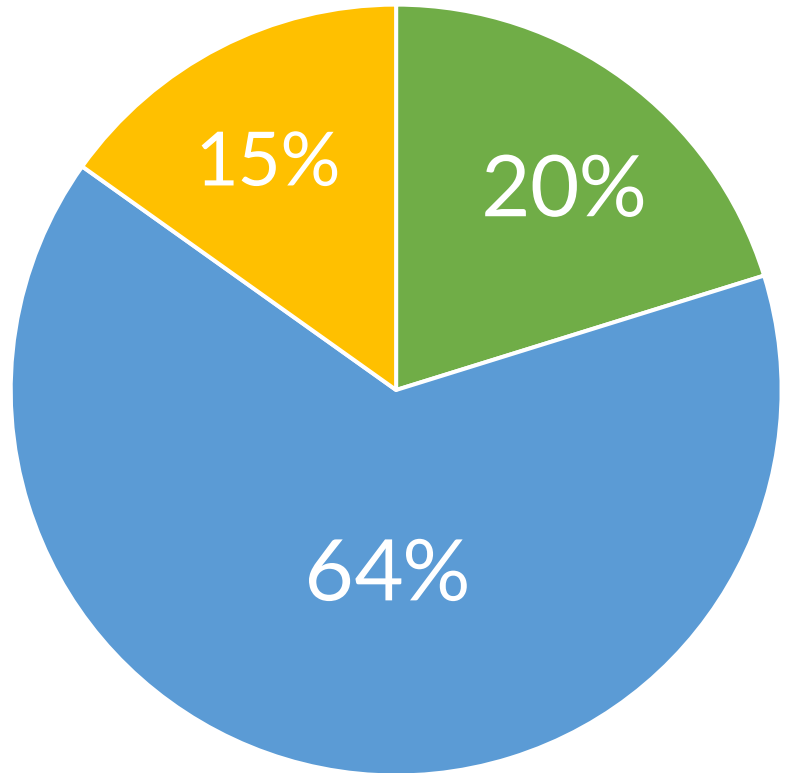
Revenue	Consumer	\$18,342	\$27,861	\$33,861	\$40,917	\$48,773	\$57,760	\$67,780	\$78,940	\$91,895	\$106,770	\$123,292	\$141,644
	Family Law		\$2,000	\$8,000	\$10,200	\$12,240	\$14,688	\$17,626	\$21,151	\$25,381	\$30,457	\$36,548	\$43,858
	Total Revenue	\$18,342	\$29,861	\$41,861	\$51,117	\$61,013	\$72,448	\$85,405	\$100,091	\$117,276	\$137,227	\$159,840	\$185,502

Expenses	Headcount Expense	\$40,375	\$53,661	\$56,550	\$68,641	\$74,841	\$86,241	\$101,061	\$103,341	\$115,473	\$119,255	\$121,085	\$121,085
	Program Expense	\$6,318	\$8,125	\$12,051	\$13,393	\$22,407	\$24,862	\$32,143	\$31,426	\$32,203	\$36,449	\$37,430	\$41,307
	Total OE	\$46,693	\$61,786	\$68,601	\$82,034	\$97,248	\$111,103	\$133,204	\$134,767	\$147,676	\$155,704	\$158,515	\$162,392

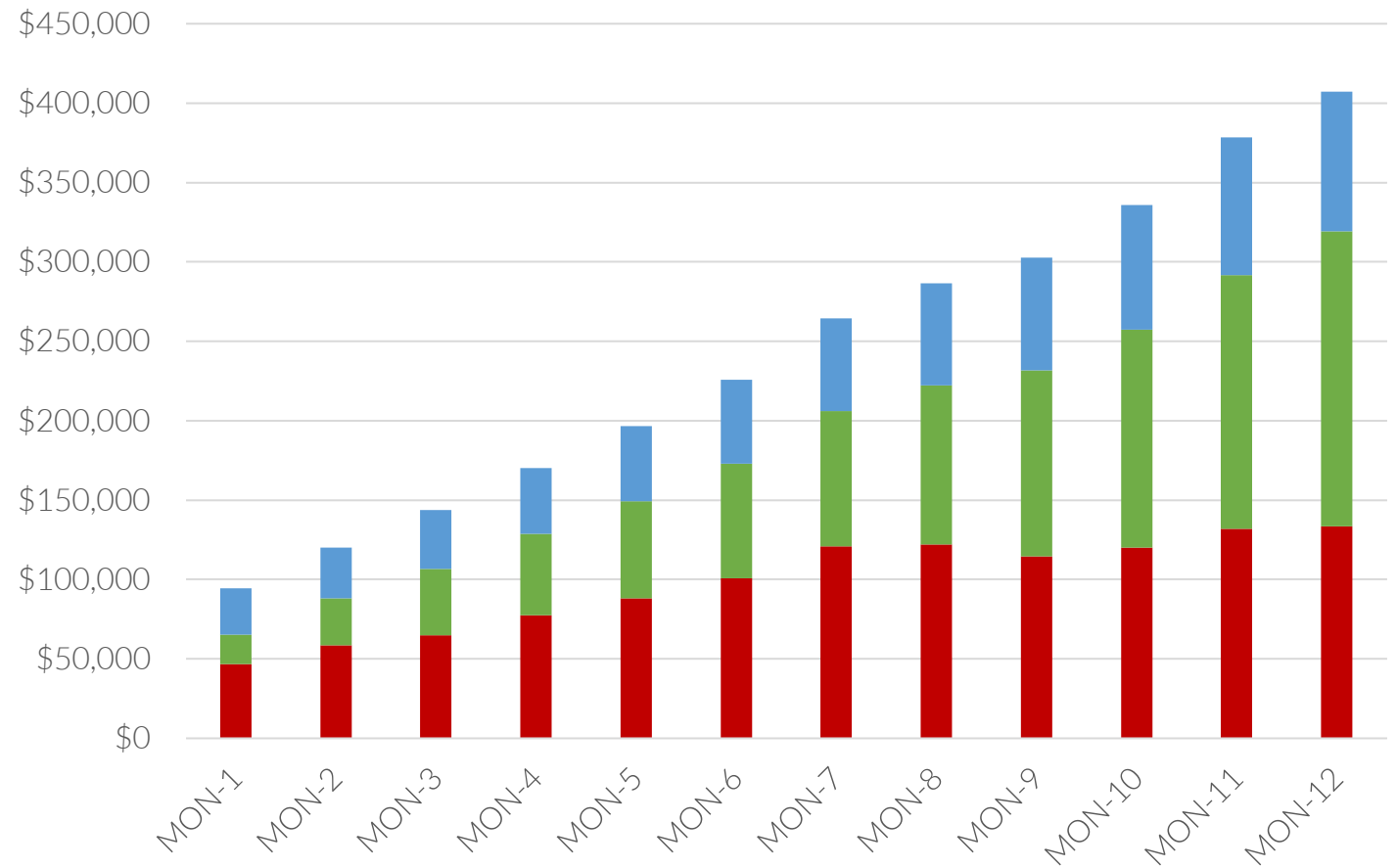
Cash On Hand	\$971,649	\$939,725	\$912,985	\$882,069	\$845,834	\$807,179	\$759,380	\$724,704	\$694,304	\$675,827	\$677,153	\$700,263
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People	Full Time	3.50	6.70	7.80	9.90	10.00	11.70	12.95	13.95	15.95	16.50	16.50	16.50
	Contractors (India)	5.00	5.00	6.00	8.00	8.00	8.00	8.00	8.00	10.00	10.00	11.00	11.00
	Interns	1.00	3.00	3.00	5.00	5.00	5.00	5.00	6.00	6.00	6.00	6.00	6.00
	Total	9.50	14.70	16.80	22.90	23.00	24.70	25.95	27.95	31.95	32.50	33.50	33.50

operating plan – spend vs growth



■ Development ■ Marketing ■ Support



■ Spend ■ Revenue ■ Users



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